

# **Cherwell District Council**

## **Executive**

**6 June 2017**

<p><b>Final Business Case: Joint Development Management Service</b></p>
---

### **Report of Head of Development Management**

This report is public

The appendices are exempt from publication by virtue of paragraphs 1, 2, 3 and 4 of part 1 of Schedule 12A of Local Government Act 1972

#### **Purpose of report**

This report presents the final business case for joint working in Development Management across Cherwell District and South Northamptonshire Councils (hereafter Cherwell or CDC and South Northamptonshire or SNC respectively).

The report recommends the formation of a Joint Development Management Service and in doing so seeks the Executive's agreement for the non-staffing elements of the business cases.

The proposal is part of the wider transformation programme across the two Councils.

#### **1.0 Recommendations**

The meeting is recommended:

- 1.1 To consider the attached final business case and the consultation responses in relation to non-staffing matters as outlined in section 5.1.
- 1.2 To note that the business case will be considered by the Joint Commissioning Committee with regard to staffing matters on 20 June 2017. This will include consideration of the consultation responses from affected staff and trade union representatives.
- 1.3 To approve the non-staffing aspects of the final business case to create a Joint Development Management Service between CDC and SNC, subject to similar consideration and approval by SNC Cabinet on 12 June 2017 and approval of the staffing implications by the Joint Commissioning Committee.

- 1.4 To delegate to the Head of Development Management in consultation with the Leader of the Council any non-significant amendment that may be required to the business case following the decision by SNC Cabinet and/or the Joint Commissioning Committee.

## **2.0 Background**

- 2.1 In December 2015, TJWG considered a report that set out for Members the current context and major reforms underway to the Planning system that need to be considered as part of the service reviews. The report also considered what is common and what is different about the existing services and identified initial options for further consideration.
- 2.2 Following the report to TJWG, business cases were developed for a Joint Design and Conservation Team and a Joint Planning Policy and Growth Strategy Team. These business cases have been consulted on with staff, approved by SNC Cabinet, CDC Executive and JCC and have been implemented.
- 2.3 This business case relates to the Development Management functions of each Council. The draft business case was considered and endorsed by TJWG in February 2017 and by JCC in March 2017. Staff consultation took place between 5 April and 3 May 2017 and a number of changes have been made to the business case as a result of the feedback from staff.

## **3.0 Report Details**

- 3.1 The proposal as set out in the final business case (Appendix 1) is to create a Joint Development Management Service. The draft business case sets out a phased and measured approach to the delivery of shared working and transformation within the service:

### **Phase 1**

Phase one would see the delivery of a shared staffing structure, realising savings of approximately £26,000 each year at management level while protecting overall front-line resource levels and performance in a demand led, income generating service subject to national scrutiny.

### **Phase 2**

Phase two would focus on making better use of existing resources and the benefits of joint working to increase income, particularly from pre-application fees and to reduce other budget overheads (e.g. consultancy support, supplies and services). Phase two would see additional income and efficiency savings totalling £55,000 per year.

### **Phase 3**

Phase three would see the harmonisation of the ICT systems and processes to enable more efficient working particularly from a technical support perspective but across the whole service which would improve performance, customer service and provide some additional capacity to pursue other income generating ideas or deliver further savings. However, it is not possible at this stage to quantify these savings.

3.2 Although the proposal does not meet the full 5% savings target through phase one and phase two and we cannot be certain on the value of phase three savings (Land and Property ICT harmonisation), it is anticipated that the full target of £150,000 will be achieved across the three phases through income generation and cost reduction.

#### 4.0 Conclusion and Reasons for Recommendations

4.1 The recommendation is to establish a Joint Development Management Service between CDC and SNC.

4.2 The draft business case sets out the rationale for establishing the Joint Development Management Service across CDC and SNC.

#### 5.0 Consultation

Group	Summary
All staff in-scope of the business cases.	<p>Staff have engaged positively with the consultation and a significant number of questions were received.</p> <p>A number of comments and suggestions were received relating to the capacity at senior level within the proposed Joint Development Management Service. As a result, this has been reconsidered and the proposed structure has been revised to include Managers and Team Leaders within the Householder and Enforcement teams as well as the Majors and Minor teams.</p> <p>Alternative structures were also put forward including the option of area based teams. These suggestions have been considered and rejected due to the potential impact on performance.</p> <p>A number of comments were also received in relation to the different terms and conditions in place at both Councils.</p> <p>The consultation log will be considered by the Joint Commissioning Committee on 20 June 2017.</p>
Unison Representatives from each Council.	Consultation has been positively received.
Joint Commissioning Committee (JCC)	Endorsed business case for staff consultation.

Transformation Joint Working Group	Endorsed business case for consideration by JCC.
Lead Member for Planning (CDC) and Portfolio Holder for Planning and Environment (SNC)	Endorsed business case and changes made post consultation.
Planning Committees (CDC and SNC)	Engagement sessions with Members of both Planning Committees have been arranged for 30 <sup>th</sup> and 31 <sup>st</sup> May. A verbal update on any comments received will be provided at the meeting.

5.1 Consultation with all employees in scope of the proposal and the Unison representatives commenced on Wednesday 5 April and ran for a period of four weeks until 3 May 2017 in line with the Councils' Joint Organisational Change policy.

The consultation period included a joint initial meeting with employees of both teams along with Unison representatives and subsequent meetings with individuals as requested.

All responses received during the consultation period were recorded on a consultation log along with the answers provided.

In total, 76 questions/responses were received to the consultation, which included a number of lengthy submissions.

The majority of questions/comments fell into the following categories:

<b>Comment Category</b>	<b>Response/Action taken</b>
HR and process related questions	A number of questions relating to the ring-fence and assimilation process were responded to.
Management capacity with Householder and Enforcement teams.	The proposed structure has been revised to include a Manager and Team Leader in the Householder and Enforcement teams as well as the Major and Minor teams.
Alternative structure proposals (e.g. area based teams)	These suggestions have been considered and rejected in favour of the proposed model which has had a positive impact on performance at both Councils.
Operational comments and questions.	Operational comments and questions regarding how the team would work across two Councils have been responded to.

We would like to thank the staff who volunteered this information during the consultation process and those who helpfully enabled us to update the business cases.

The consultation logs of comments made by the affected staff and/or their trade union representatives, and the response of management will be considered by JCC on 20 June.

## 6.0 Alternative Options and Reasons for Rejection

6.1 The following alternative options have been identified and rejected as part of the development of the business case:

### Status Quo (No Change)

Retaining the status quo is an option; however this would not deliver the benefits set out in this business case or provide the additional resilience and shared expertise that a joint team could provide at a time of planning reform and following Brexit pressure to support additional growth.

### Alternative Joint Staffing Structures

A number of alternative joint staffing structures have been considered, however the proposal set out in the business case is believed to be the most appropriate in terms of maximising the benefits of joint working and delivering savings, whilst maintaining performance.

### Outsource Service

Outsourcing is a potential option, and it is understood that companies such as Capita do offer an outsourced service for Development Management. However, given that the majority of duties carried out by the Development Management team are statutory responsibilities, it is not considered appropriate to outsource the service, as it could compromise the planning role of each District Council.

6.2 The approach in the recommendations is believed to be the best way forward. The proposal is to establish a Joint Development Management Service.

## 7.0 Implications

### Financial and Resource Implications

7.1 The proposals as set out in this business case are based on the resource levels currently required at each Council and would deliver an annual staffing saving of £26,000.

Savings*		
CDC	SNC	TOTAL
£13,250	£12,750	(26,000)

\* Figures rounded to the nearest £250.

7.2 The level of savings delivered is below the 5% staffing target for joint working business cases and the business case sets out the rationale for only delivering this level of staffing saving. This is primarily because this service area is considered very important in delivering growth and is generating direct income via planning application fees, pre-application charges and indirect income in the shape of

Business Rates, Council Tax and New Homes Bonus. In addition (and since the previous report was written) Government has now decided that Local Planning Authorities can increase fees by 20% if they agree to use the extra income within the planning service. Both Councils have agreed to this approach and will therefore be able to increase fees from July 2017. This will add further income of around £500,000 per year across the two authorities.

- 7.3 Although the proposal does not meet the full 5% savings target through phase one and phase two and we cannot be certain on the value of phase three savings (Land and Property ICT harmonisation), it is anticipated that the full target of £150,000 will be achieved across the three phases through income generation and cost reduction.
- 7.4 There is one potential redundancy resulting from this proposal. During consultation a small number of employees requested to be considered for voluntary redundancy.
- 7.5 Of the employees who have requested voluntary redundancy, one is from an employee who has been ring-fenced to a post and could be at risk of redundancy through the implementation process. It is felt that this voluntary redundancy would be in the best interests of the service and it is therefore recommended to Joint Commissioning Committee that it is accepted. The other voluntary redundancy requests are from employees who are not at risk of redundancy at this stage and are not recommended to be accepted by Joint Commissioning Committee. The redundancy costs are included within the implementation costs as outlined in section 14.5 of the business case and should be split equally between the two Councils, with the costs being funded through earmarked reserves.
- 7.6 Implementation costs of £50,000 are estimated, primarily to cover potential pay protection and redundancy costs, potential ICT costs and to provide a contingency fund.
- 7.7 Based on the estimated implementation costs outlined above and the staffing savings delivered through phase 1, the payback period would be approximately 24 months. This does not include the delivery of further savings and efficiencies from phase two and phase three.

Comments checked by:

Paul Sutton, Chief Finance Officer, 01295 221634

[paul.sutton@cherwellandsouthnorthants.gov.uk](mailto:paul.sutton@cherwellandsouthnorthants.gov.uk)

## **HR Implications**

- 7.8 It is the traditional approach of CDC and SNC to consult staff and the trade unions on a detailed staffing structure arising from any business case for change, prior to consideration by members. This has the effect of enabling members to consider the views and any representations of the staff and trade unions before making their final decision on any such proposals, and ultimately ensures that the Councils meet their statutory obligations to undertake a meaningful process of consultation prior to a decision being made.
- 7.9 This model has the advantage of allowing staff to identify whether their existing jobs will be deleted, to consider the detailed job descriptions of any proposed new roles

and to identify whether there are any opportunities for promotion or other career aims to be met. They can see whether their hours of work might alter, whether their salaries will change (up or down), or whether their work location will change. They are able to comment upon the proposals in the knowledge that members will give due regard to their comments before making a decision.

- 7.10 The expectation is that existing staff would continue to be employed by their current, respective authority under the pay and terms and conditions of that employing organisation. New and revised job descriptions have been devised to standardise responsibilities across the two organisations. The new job descriptions have been through the job evaluation process at each organisation.
- 7.11 The implementation process will be in accordance with the joint Organisational Change policy. The proposal represents a slight reduction in capacity and as a result the implementation process could result in one redundancy.

Comments checked by:

Mandy Targett, HR Business Partner, 01295 22 1520

[mandy.targett@cherwellandsouthnorthants.gov.uk](mailto:mandy.targett@cherwellandsouthnorthants.gov.uk)

### **Legal Implications**

- 7.12 As with all two way shared services this proposal, if implemented, will be covered by the section 113 agreement (as varied) entered into between the two Councils.
- 7.13 Following the decision of CDC and SNC Councils in February 2015 to approve the final business case for developing the approach to joint working and the delivery of local authority services, all services at both Councils are now included on the policy framework for the consideration of shared working. This means that the decision making process has been streamlined and the approval of draft and final business cases for two-way shared working can be taken by the Joint Commissioning Committee and Cabinet/Executive without the prior need of a decision of full Council.
- 7.14 A decision making timetable is included in Section 17 of the draft business case.

Comments checked by:

Kevin Lane, Head of Law and Governance, 0300 0030107

[kevin.lane@cherwellandsouthnorthants.gov.uk](mailto:kevin.lane@cherwellandsouthnorthants.gov.uk)

### **Risk Implications**

- 7.15 Section 16 of the draft business case sets out the risk implications of each proposal and how they will be mitigated.

Comments checked by:

Hedd Vaughan-Evans, Business Transformation Project Manager, 01295 227978

[Hedd.vaughanevans@cherwellandsouthnorthants.gov.uk](mailto:Hedd.vaughanevans@cherwellandsouthnorthants.gov.uk)

## 8.0 Decision Information

### Key Decision

Financial Threshold Met: Yes

Community Impact Threshold Met: No

### Wards Affected

All

### Links to Corporate Plan and Policy Framework

Cherwell: A district of opportunity  
Sound budgets and customer focused council

South Northamptonshire: Protect the district  
Grow the district

### Lead Councillors

Councillor Roger Clarke, Portfolio Holder for Planning and Environment;  
Councillor Colin Clarke, Lead Member for Planning.

### Document Information

Appendix No	Title
1 - EXEMPT	Joint Development Management Service - Final Business Case
Background Papers	
n/a	
Report Author	Andy Preston, Head of Development Management
Contact Information	0300 003 0109 Andy.preston@cherwellandsouthnorthants.gov.uk